

## Senator Bridget McKenzie's Additional Comments

1.1 These additional comments to the Senate Environment and Communications Legislation Committee's report into the Australian Broadcasting Corporation Amendment (Restoring Shortwave Radio) Bill 2017 are prefaced with acknowledgement that the independence of the ABC is embedded in its Charter and is without question; equally, its critical role as a provider and facilitator of news and information to Regional Australia is acknowledged.

1.2 However, while the ABC operates independently, evidence to the Inquiry highlights significant concerns about the ABC Board decision of December 2016 to cancel ABC shortwave services to the Northern Territory, Papua New Guinea, and other parts of the Pacific. These comments are made with the objective of finding a way to restore those services, whilst respecting the ABC's independence as a statutory authority.

1.3 The ABC's decision to unilaterally withdraw without consultation its remaining shortwave services is unacceptable as the ABC cannot guarantee that listeners who previously used these services will be able to access the replacements. Until it can provide such a guarantee, shortwave must remain an integral component of the ABC's strategy to meet its Charter obligations in the Pacific, as well as to consumers in regional and remote areas.

1.4 Inevitably, shortwave will be withdrawn. However, this cannot occur until solutions that are better in quality, reliability, coverage and access are available. Whilst the shortfalls of proposed shortwave replacements are examined below, the problem is exemplified by the admission AM and FM transmissions (offered as a bedrock solution in place of shortwave both domestically and to the Pacific) covers some 4% of the NT landmass but 84% of the population:<sup>1</sup> the other 16% of the population is essentially excluded.

1.5 The independence of the ABC is essential, and the community's expectations of the public broadcaster are articulated in its charter. The Australian Broadcasting Corporation Amendment (Restoring Shortwave Radio) Bill 2017 challenges the independence of the ABC by mandating multiple transmitters to reinstate the services along with imposing other specific requirements on content that the ABC would be bound to meet. This is unduly prescriptive in nature, and so cannot be supported.

1.6 However, given the weight of evidence to both this inquiry and the committee's previous inquiry into the Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015, the ABC is strongly encouraged to reconsider its decision to terminate shortwave services to the Northern Territory and the Pacific.

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1 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 33

- 1.7 The issues raised in both inquires include:
- the apparent lack of consultation engaged in by the ABC in its decision to terminate shortwave services to the Northern Territory and to the Pacific;
  - questionable research used to substantiate a contention that fewer than 500 people are affected by the decision to now summarily terminate the ABC's remaining shortwave services;
  - the shortfalls of purported replacement technologies as alternative platforms with which to deliver ABC content that will guarantee most, but not all, affected listeners coverage;
  - the apparent refusal by ABC personnel to satisfactorily answer directly relevant questions put to it, both in the course of this Inquiry and others the Senate has conducted, and its refusal to disclose documentation said to support the ABC's shortwave decision;
  - evidence heard by this and other Senate inquiries that directly contradicts the ABC's claims that minimal numbers of complaints have been received, and from where;
  - implications for the ABC's role and reliability as an emergency broadcaster; and
  - the apparent breach of the ABC's Charter obligations the withdrawal of ABC shortwave constitutes.

### **Lack of Consultation and Questionable Research Methods**

1.8 It has been impossible to satisfactorily quantify consultation the ABC Board claims it undertook in arriving at this decision, partly through a reluctance to supply relevant documentation on demand, and partly through conflicting answers given by ABC officials to questions on notice. This constitutes a failure of the Board to subject itself to the scrutiny of the Senate over its expenditure of public funds.

1.9 The ABC has been unable to quantify the listenership of ABC shortwave in the Northern Territory, admitting in evidence to a Senate Committee on 16 June 2017 that it had undertaken no surveys of shortwave listeners prior to its decision to axe the service.<sup>2</sup>

1.10 It did however make the statement that 'the estimation' of 500 regular shortwave listeners in the NT was partly the result of an ABC Radio listener report in May 2016.<sup>3</sup>

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2 Mr David Hua, Head, International Audience Strategy, ABC, *Committee Hansard*, 16 June 2017, p. 25.

3 Mr Michael Millett, Head, Government Relations, ABC, *Committee Hansard*, 16 June 2017, p. 24.

1.11 These answers are contradictory, and further complicated by the fact the National Association of Shortwave Broadcasters reported shortwave usage at approximately 1% of the population (or some 225,000 users at the time).<sup>4</sup> Even accounting for the fact the NT represents roughly 1% of the Australian population, this would suggest shortwave usage at roughly 2,400 users, not 500 as the ABC claims.

1.12 Either way, it fails to take into account users of the ABC service including cattlemen, farmers, tourists, fishermen and truck drivers and others who used shortwave services, but who are by their nature impossible to incorporate into any accurate assessment of actual shortwave usage in the NT. Many of these workers made submissions to the ABC (Rural and Regional Advocacy) Bill Inquiry.

1.13 In relation to usage of ABC shortwave in PNG and the Pacific, the ABC stated in an answer to questions on notice that it estimated 300 Radio Australia shortwave users in Papua New Guinea, on the basis of a 2016 media survey by Tebbutt Research that identified 15,000 regular Radio Australia listeners.<sup>5</sup>

1.14 This answer also appears to contradict other ABC evidence, further stating that approximately 2% of the PNG population uses shortwave to access Radio Australia transmissions (which equates to 160,000 people).<sup>6</sup> It further stated that the ABC was not aware of a survey conducted in 2014 by Radio Australia that found 80% of PNG-based respondents received content via shortwave.<sup>7</sup>

1.15 In any case, the ABC did not provide details of those surveys in its account on notice of listener numbers<sup>8</sup>—in Australia and the Pacific—preventing any meaningful examination of the fieldwork, methodology used, or the veracity of the conclusions and estimates drawn from them.

1.16 This lack of consultation by the Board extended not only to affected communities, nations and industries but also internal mechanisms within the ABC to assist with decision making.<sup>9</sup> The ABC neither sought nor received advice from its Advisory Board in deciding to terminate shortwave services, nor did it consult with the Friends of the ABC.<sup>10</sup> This was received despite the ABC stating, that 'internal

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4 ABC, *Answer to question on notice, No. 3.*

5 ABC, *Answer to question on notice, No. 4.*

6 *Ibid.*

7 ABC, *Answer to question on notice, No. 5.*

8 ABC, *Answer to question on notice, No. 3.*

9 ABC, *Answer to question on notice, No. 8.*

10 ABC, *Answer to question on notice, No. 26.*

consultation with ABC Executives and ABC Radio management' occurred prior to the ABC Board reaching a decision.<sup>11</sup>

1.17 Given the impact on NT communities, cattle industry, road users outside Darwin, Alice Springs and Katherine, the ABC did not consult the Northern Territory government on the decision to withdraw shortwave services from the Territory. Despite monies saved from ABC shortwave broadcasts were earmarked for boosting digital services in markets including Darwin,<sup>12</sup> where reliable internet services mean ABC Radio content can already be accessed. In over 80% of the NT landmass, they now cannot.

1.18 Given the lack of meaningful listenership surveys undertaken to guide its decision, and in view of its admission that various key stakeholders were not consulted, it is difficult to accept either the ABC's stated estimates of shortwave listenership numbers or its claim that adequate consultation had been undertaken.

### **Shortfalls in Proposed Replacement Technologies**

1.19 The ABC management claims that a suite of other technologies and platforms are viable alternatives to shortwave. Evidence to both committee inquiries would suggest otherwise, at this present time.

1.20 Whilst these will prove efficacious in delivering content to some listeners affected by the shortwave decision, the reality is that known shortcomings of each of these technologies make it inevitable that some listeners will now be prevented from receiving this content altogether.

1.21 Some of the inherent problems in these technologies, as reported in testimony to the Inquiry, include:

- The limited reach of AM and FM broadcasts (20km to 90km from the broadcast point) as opposed to shortwave showers, which can cover vast tracts from a single transmission point.
- Both AM and FM broadcasts are adversely affected by topography and weather events.<sup>13</sup>
- Mobile telephony, as a content platform, is limited by signal strength and coverage.<sup>14</sup>

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11 Ibid.

12 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, pp. 80–81.

13 Ms Susan Pinnock, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 17; ABC Friends, *Submission 32*, Attachment 1, p. 1; see also Mr Alan Hughes, *Submission 43*, p. 2; Four Wheel Drive Northern Territory, *Submission 53*, p. 1; Mrs Vena Oliver, *Committee Hansard*, 9 March 2017, p.15.

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- Satellite telephony, which does not directly receive radio signals, is too slow and prohibitively expensive for users to use internet radio streaming of those signals it does receive.<sup>15</sup>
  - Viewer Access Satellite Television (VAST) is a static delivery platform—unable to be moved—and thus unsuitable for travellers and mobile commercial operators. In any case, it is also adversely impacted by bad weather and topography.<sup>16</sup>

1.22 Some of these technologies (such as VAST) require users to make upfront capital outlays on hardware in order to receive broadcasts via those platforms;<sup>17</sup> prohibitive user costs must also be taken into account.

1.23 The shortfalls in the ABC's proposed replacements for shortwave apply equally to the Northern Territory and to the Pacific. In fact, some areas of the Pacific would seem more compromised by the abolition of shortwave on account of the susceptibility of FM to adverse weather events.

### **The ABC's Refusal to Disclose Evidence and Complaints Received**

1.24 During a Senate Budget Estimates hearing on 24 May this year, the ABC was asked on notice to provide a document associated with its Transmission Strategy that ostensibly substantiated ABC estimates of fewer than 500 regular shortwave users in the NT, but which was redacted. The answer provided referred to alternative technologies, but stated the requested document was 'outside the scope of the shortwave issue' and that it had thus been redacted. It was not provided as requested.<sup>18</sup>

1.25 Taken in tandem with the stated failure to conduct any surveys at all of shortwave listenership in the NT and the conflicting accounts of listenership in PNG and the Pacific, it is difficult to accept the ABC Board decision to terminate shortwave broadcasts has been made on any firm basis of small listener numbers.

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14 Department of Corporate and Information Services, Inquiry into the ABC (Rural and Regional Advocacy) Bill 2015. *Answer to questions taken on notice*, p. 1.

15 Mr Stephen Dowding, Inquiry into the ABC Amendment (Rural and Regional Advocacy) Bill 2015, *Submission 34*, p. 1.

16 Northern Territory Cattlemen's Association, Inquiry into the ABC Amendment (Rural and Regional Advocacy) Bill 2015, *Submission 44*, p. 2.

17 Mr Stephen Dowding, Inquiry into the ABC Amendment (Rural and Regional Australia) Bill 2015, *Submission 34*, p. 3; Mr Philip Brennan, *Submission 42*, p. 1; Northern Territory Government, *Submission 46*, p. 2; Mr Malcolm Stewart, Four Wheel Drive Northern Territory, *Committee Hansard*, 9 March 2017, p. 23; Mr Bruce Davey, *Committee Hansard*, 9 March 2017, p. 28; Mr Chris Schilling, *Committee Hansard*, 9 March 2017, p. 41.

18 Budget Estimates 2017–18, *Answer to question on notice*, No. 119.

1.26 This apparent unsatisfactory basis for the ABC's decision to withdraw shortwave is also reflected in accounts of complaints received in relation to the decision.

1.27 The ABC told an Estimates hearing that two complaints were received from listeners in the Pacific,<sup>19</sup> and both were said to have originated from Fiji.<sup>20</sup>

1.28 A separate answer to a different question on notice, this time during the Inquiry into the ABC Amendment (Rural and Regional Advocacy) Bill 2015, stated that 18 NT residents had made complaints about the withdrawal of shortwave broadcasts, in addition to the two from Fiji, as well as a further nine complaints from as far afield as the USA, India, Laos and France.<sup>21</sup>

1.29 It is understood these complaints were made through formal ABC complaint channels, and do not include complaints from listeners made by telephone to its Alice Springs office or other less formal means of providing feedback, or submissions made to Senate Inquiries representing thousands of affected listeners.

1.30 The appearance given by all of this is that on one hand, the ABC has either withheld material that may undermine the veracity of ending shortwave broadcasts, or lacks evidence to validate the decision; and on the other, that it has downplayed adverse feedback it has received in relation to the decision by restricting the admissions of complaints to those made through its official complaint mechanisms.

1.31 However in evidence to an earlier Senate hearing into the termination of shortwave transmission services, there was no doubt from witnesses to the loss of the service.

1.32 Like Mr Bruce Davey, a cruise boat operator in the NT who gave evidence that:

We have had absolute silence now. I do not know what is happening to the world...I would implore the Senate committee to fully understand the hunters, fishermen and numerous other stakeholders that have just been thrown to the wind here.

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19 Mr Michael Millett, Head, Government Relations, ABC, *Proof Budget Estimates Hansard*, 24 May 2017, p. 123.

20 ABC, Inquiry into the ABC Amendment (Rural and Regional Advocacy) Bill 2015, *Answer to question on notice*, No. 18.

21 ABC, Inquiry into the ABC Amendment (Rural and Regional Advocacy) Bill 2015, *Answer to question on notice*, No. 34.

1.33 Or the Northern Territory Cattlemen's Association:

Mental health problems are already a considerable problem in remote areas—sitting in silence while the rest of the country has a radio dial chock full of stations, internet-capable phones in their pockets and newspapers doesn't help any of that.

1.34 The NTCA contended that the ABC had 'seriously underestimated' the number of people adversely affected by the termination of shortwave transmissions.

### **Implications for the ABC as an Emergency Broadcaster**

1.35 One answer to a question on notice stated that 'whilst the ABC took the opportunity to broadcast weather warnings into the Pacific, it has never been the ABC's responsibility to do so.'<sup>22</sup> Whilst this may be true, past practice has clearly created the expectation the ABC will continue to perform such a role. Indeed the ABC promotes itself as an emergency broadcaster, a role the community would recognise.

1.36 The fact remains that shortwave is unaffected by weather, is reliable, and is a cheap and effective way to broadcast such warnings.

1.37 The value of the ABC's activity in this regard is underlined by testimony from the Prime Minister of Vanuatu, Hon Charlot Salwai, who told the Inquiry that terminating Radio Australia shortwave services 'could cost many, many lives in the likelihood of a major natural disaster.'<sup>23</sup> It went on to state that ABC shortwave helps save Pacific lives and saves taxpayers money<sup>24</sup> by virtue of the warnings it provides and the resultant mitigation of later disaster relief expenditure.

1.38 From evidence to both committee inquiries, it is clear that the ABC promotes itself as the emergency broadcaster and is viewed as such by the broader community, here and abroad.

1.39 Given the ABC's Charter obligations, it is not unreasonable to expect that it will continue to play a role in providing warnings and information ahead of cyclones, tsunamis, bushfires and other natural disasters in these areas.

1.40 The excuse given by the ABC that the Bureau of Meteorology was now able to provide such information failed to recognise that this BOM service only extended to coastal areas and not inland Northern Territory.

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22 Mr David Hua, Head, International Audience Strategy, ABC, *Committee Hansard*, 16 June 2017, p. 24.

23 Government of the Republic of Vanuatu, *Submission 15*, p. 1.

24 Government of the Republic of Vanuatu, *Submission 15*, p. 1.

1.41 The ABC Charter specifies the publicly funded broadcaster's main role as defined in clause 1, subclause (b):

- (b) to transmit to countries outside Australia broadcasting programs of news, current affairs, entertainment and cultural enrichment that will:
  - (i) encourage awareness of Australia and an international understanding of Australian attitudes on world affairs; and
  - (ii) enable Australian citizens living or travelling outside Australia to obtain information about Australian affairs and Australian attitudes on world affairs.

1.42 The evidence to the ABC (Rural and Regional Advocacy) Bill 2015 highlighted the need for better reporting and increased consultation processes for the ABC Board's decision making.

## **Conclusion**

1.43 The ABC deserves support, and its right to operate independently to be respected. This is certainly true in the case of the ABC's decision to terminate shortwave services to the NT and the Pacific.

1.44 Shortwave is a cheap, low-tech, reliable medium that is ideally suited to broadcasts over significant distances, and which is ideal for transmissions during emergencies and disasters.

1.45 The overall picture painted by the ABC's collective statements and disclosures to various Senate committee hearings simply doesn't add up: figures have been provided to assert tiny listenership of ABC shortwave, with no concrete evidence to validate them, but an avalanche of anecdotal and circumstantial evidence showing the number of people affected is much, much higher than the ABC acknowledges.

1.46 This appears to be at best a failure by the ABC to clearly account to the Senate for its decision making processes or to consult appropriately and at worst, a failure of due diligence on the part of the ABC Board.

1.47 It is deeply concerning that the decision to unilaterally withdraw the domestic shortwave service will impact residents and travellers in regional and remote NT communities, compounding the isolation and detachment they may already experience.

1.48 Additionally, the Charter clearly states the ABC's role in the Pacific, a service that is compromised by their desire to save 1% of a \$1bn Budget.

1.49 Finally, the ABC is a corporate Commonwealth entity operating under *Public Governance, Performance and Accountability Act 2013* (the PGPA Act). As the governing body of the entity, the ABC Board is responsible for meeting and maintaining standards of governance the Act prescribes.

1.50 The lack of proper information and consultation guiding the Board's decision to terminate shortwave calls into question best practice governance principles.

1.51 Recommendations follow for the ABC shortwave decision to be subjected to further action. Alternatively, the decision may be referred to the Commonwealth Auditor-General.

1.52 The objective of these extensive comments to this report is to find a way forward that balances the ABC's independence and operational expertise on the one hand with a cost-effective restoration of shortwave services, undertaken and overseen by the ABC, on the other. The inconsistencies shown in the process of making the decision to terminate shortwave, and the contradictory justifications used to defend it, merely illustrate why the decision needs to be revisited.

### **Recommendations**

1. That the ABC Board revisits its decision to terminate shortwave radio services to the Northern Territory, Papua New Guinea and the Pacific.
2. That the Australian Broadcasting Corporation Amendment (Regional and Rural Access) Bill 2015 be passed, to ensure a similar failure of process is unable to occur in the future.
3. That given the conflicting evidence submitted by the ABC, the ABC Board's refusal to submit to Senate scrutiny and the defective decision it made as a result of failure of process, the Minister for Communications consider referring the matter to the Finance Minister under the PGPA Act 2013.

**Senator Bridget McKenzie**  
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